ASSESSMENT OF THE PROPOSED TARIFF SNAPBACK PROVISIONS FOR FRESH FRUIT AND VEGETABLES

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EXECUTIVE SUMMARY

Under the proposed Canada-U.S. Free Trade Agreement, all tariffs will be eliminated over a ten year period. Fresh fruit and vegetables are the only goods that have been singled out for special treatment. For a period of 20 years, both Canada and the U.S. can reintroduce tariffs on fresh fruit and vegetables provided import prices are unusually low and that there has been no expansion in crop acreage.

The purpose of this paper is to evaluate the degree of protection provided by the proposed special provisions allowing for the snapping back of tariffs. The focus of the analysis was to determine how frequently the tariff snapback conditions would be met and to discuss the implementation of these provisions.

The preliminary analysis of 20 Ontario fruit and vegetables indicated the degree of protection provided was not large. Out of a possible 288 opportunities over the period 1985, 1986 and 1987 (first eight months), both tariff snapback conditions were met only 9 times. The degree of protection of tariff snapback was found to be much higher under the assumption that crop acreages had declined. Under this scenario, the number of times tariff snapbacks would be triggered increases from 9 to 61.

The implementation of the tariff snapback provision is very important. It is possible that the degree of protection provided could be less than indicated by this analysis. If adequate resources are not devoted to administering the tariff snapback provisions on a timely and effective basis, then this safeguard will not be of any value to fruit and vegetable growers. For example, to be effective, information on import prices would need to take quality differences into account. This is because importers may change the quality mix in order to prevent the snapback tariff provisions from being triggered.

This paper also identifies a number of areas where further study is needed. Two areas not addressed in this paper were the degree of protection provided to fruit and vegetable growers in other provinces and in the U.S. The implementation of the tariff snapback provision by the U.S. is of great interest to Canadian exporters.

I. INTRODUCTION

Under Article 401 of the proposed Free Trade Agreement, Canada and the U.S. have agreed to eliminate all tariffs over a ten-year period. The only commodities receiving special treatment with respect to this decision are fresh fruit and vegetables. Under Article 702, Canada and the U.S. can both temporarily reintroduce tariffs on fresh fruit and vegetables during the 20 year period ending January 1, 2009.

U.S. fruit and vegetable imports already have a commanding share of the Canadian market, even during the marketing season of Canadian grown produce. The loss of tariff protection will lower the cost of imports and will likely increase the market share held by U.S. produce. Ontario's fruit and vegetable growers are at a significant climatic disadvantage to U.S. producers. Shorter growing and harvesting seasons along with higher risks of inclement weather result in relatively lower yields and higher production costs.

The sensitivity of Ontario's fruit and vegetable growers to U.S. imports can quickly be grasped by comparing the value of farm production with the value of imports. In 1986, vegetable imports from the U.S. of $298 million represented nearly three quarters of the value of vegetable production in Ontario, which was $419 million. In the case of fruit, competition from imports is much more pronounced. Fruit imports from the U.S. of $403 million in 1986 were three times larger than the value of fruit grown in Ontario, which was $136 million.

Due to Ontario's northern climate, the production of fruit and vegetables is limited to the six-month period between May and October, with the exception of a longer period for greenhouse grown produce. In California and the Southern U.S., year-round production of some produce is possible. This climatic disadvantage to Ontario producers implies considerable sensitivity to the effectiveness of the special tariff snapback and whether it will provide adequate protection to sustain the industry. The purpose of this paper is to evaluate the degree of protection provided by the proposed special provisions allowing for the reintroduction of tariffs on fresh fruit and vegetables.

To evaluate the degree of protection provided to fresh fruit and vegetable growers, the number of times that tariffs would have been reinstated during the last three years are examined. The conditions for tariff snapbacks to work effectively are also explored in the paper. Data requirements, timeliness, and resources for monitoring and implementing the tariff snapback mechanism are discussed.

Due to the large number of fruit and vegetables grown in Ontario, it was not possible to evaluate the implications of the tariff snapback for all commodities. However, with the 20 fruit and vegetables examined in this report a good indication of the effectiveness of the snapback provision is provided.

This paper has seven sections. The Introduction is followed by a description of the fruit and vegetable for which the snapback provisions were assessed. Section three provides background information on the current Canadian tariff policy. Section four describes in detail the tariff snapback provisions contained in Article 702 of the legal text of the Canada-U.S. Free Trade Agreement dated December 10, 1987. The fifth section presents an assessment of the degree of protection provided by the snapback provisions. Section six discusses some of the procedural and administrative problems that the federal government must deal with to implement the snapback provisions. The final section of the paper includes a summary and conclusions.

II. COMMODITY COVERAGE

The 20 fresh fruit and vegetables examined in this paper are:

Asparagus	Cauliflower	Onions, green	Plums
Beans	Cherries, sweet	Onions, yellow	Potatoes
Broccoli	Corn, sweet	Peaches	Radishes
Cabbage	Cucumbers	Pears	Strawberries
Carrots	Lettuce	Peas, green	Tomatoes

The import volumes of certain fresh fruit and vegetables for processing are very small or non-existent. For this reason, import prices for commodities such as tomatoes for processing or tart cherries could not be calculated.

Table 1 provides information on the level of imports from the U.S. during the marketing season of Ontario produce, along with the quantity and value of Ontario production. The farm value of the production of these crops in 1986 was $253 million, which represents over two-thirds of the production of tariff-protected fruit and vegetables. It should be noted that imports of sweet corn and green peas from the U.S. represent such a small percentage of Ontario production because the imports are for the fresh market, while Ontario production figures include both fresh and processing produce.

Table 1.--Imports from the U.S. and Ontario Production of Selected Fresh Fruit and Vegetables, 1986

Commodity	U.S. Imports into Ontario		Ontario Marketed Production		U.S. Imports	
					Tonnage as a % of Marketed Production	$ Value as a % of Marketed Production
	Quantity	Value	Quantity	Value		
	tonnes	$'000	tonnes	$'000	- percent -	
Asparagus	761	1,711	2,813	5,950	27.05	28.76
Beans	1,172	1,263	4,782	4,045	24.51	31.22
Broccoli	4,096	2,295	8,475	7,113	48.33	32.27
Cabbage	4,406	1,481	42,584	10,906	10.35	13.58
Carrots	9,647	2,934	111,657	17,558	8.64	16.71
Cauliflower	4,048	2,990	36,944	16,166	10.96	18.50
Cherries, sweet	2,352	5,852	1,382	1,785	170.19	327.92
Corn, sweet	669	488	28,391	13,324	2.36	3.66
Cucumbers	7,816	3,347	4,270	1,650	183.04	202.91
Lettuce	31,550	12,744	13,036	6,153	242.02	207.12
Onions, green	2,722	2,097	2,742	2,523	99.27	83.11
Onions, yellow	13,074	3,782	82,422	22,121	15.86	17.10
Peaches	4,936	4,468	25,809	15,925	19.13	28.06
Pears	7,132	5,906	15,548	7,404	45.87	79.77
Peas, green.....	318	715	21,146	7,674	1.50	9.32
Plums	9,285	13,091	4,933	3,003	188.22	435.95
Potatoes	39,521	12,837	255,737	50,654	15.45	25.34
Radishes	1,737	1,226	2,885	1,711	60.21	71.67
Strawberries	3,305	4,553	11,905	16,132	27.76	28.22
Tomatoes, fr mrkt ..	32,591	23,085	68,656	40,843	47.47	56.52
TOTAL	181,138	106,865	746,117	252,639	24.27	42.29

Source: Statistics Canada.

Under the current tariff rates, imports of many fresh fruit and vegetables already command a large share of the market during the marketing season for Ontario produce. For example in value terms, imports of strawberries and broccoli represent 28 and 32 percent of domestic production. In total, the value of imports of U.S. fruit and vegetables during the marketing season for Ontario produce totalled $107 million or 42 percent of the total value of Ontario grown.

III. CURRENT TARIFF POLICY

The Government of Canada imposes tariffs on a wide range of goods. Most imports of fresh fruit and vegetables are subject to seasonal tariffs which can be introduced during the marketing season for Canadian produce. Fruit and vegetables imported at other times of the year enter Canada duty free. Certain fruit and vegetables enter Canada free of tariff duties on a year-round basis, the most significant of which are apples.

The current seasonal tariff system for fruit and vegetables for the fresh market was introduced in 1979 after negotiations with the U.S. At that time, seasonal tariffs were changed to an ad valorem basis with rates ranging up to 15 percent. For example, seasonal tariffs for strawberries and tomatoes for fresh market are 10 and 15 percent, respectively. A listing of tariffs for fresh fruit and vegetables examined in this paper is contained in Table 2.

The Canadian seasonal tariff schedule, for each commodity, indicates the maximum number of weeks duties can be applied, but not the exact period it is to be applied. This flexibility was incorporated because of the year to year differences in harvesting times. To accommodate regional variations in harvesting times, the Government of Canada administers the seasonal tariffs on a zone basis. There are three tariff zones: 1) Thunder Bay and west thereof; 2) Quebec and Ontario east of Thunder Bay; and 3) Atlantic Provinces excepting Newfoundland.

Seasonal tariffs are introduced by Revenue Canada upon receipt of requests from tariff officers located in each of the three tariff zones. The tariff officers act on behalf of producers and are appointed by the Canadian Horticultural Council.

Table 2.--Canadian Tariffs for Selected Fresh Fruit and Vegetables, 1987

Tariff	Commodity	Maximum Duration	Most-Favoured Nation Tariff
		weeks	%
8702-1	Asparagus for processing	Annual	15
8701-1	Asparagus, fresh	8	15
8703-1	Beans, snap	14	10
8708-1	Broccoli for processing	Annual	15
8707-1	Broccoli, fresh	16	15
8710-1	Cabbage	34	15
8712-1	Carrots	40	0.5
8713-1	Carrots, baby	40	5
8714-1	Cauliflower	20	5
9206-1	Cherries, sweet	8	10
9207-1	Cherries, sweet for processing	Annual	12.5
8716-1	Corn, sweet	12	15
8717-1	Cucumbers	30	15
8718-1	Cucumbers for processing	Annual	10
8724-1	Lettuce, fresh	16	15
8729-1	Onions	12	15
8728-1	Onions for processing	12	15
8727-1	Onions, green	22	12.5
9212-1	Peaches	14	12.5
9213-1	Peaches for processing	Annual	12.5
9214-1	Pears	24	12.5
9215-1	Pears for processing	Annual	12.5
8732-1	Peas, green	12	10
8733-1	Peas, green for processing	Annual	10
9216-1	Plums		12.5
9218-1	Plums for processing	Annual	12.5
			¢/lb.
8305-1	Potatoes	Annual	0.35
			%
8737-1	Radishes	26	10
9220-1	Strawberries	8	10
9221-1	Strawberries for processing	Annual	10
8742-1	Tomatoes	32	15
8743-1	Tomatoes for processing	Annual	15

Source: Tariff Board.

Imports of fruit and vegetables for processing are subject to tariffs that apply throughout the year. For example, the annual tariff on tomatoes and asparagus for processing are both 15 percent. These tariffs are on a year-round basis because processed produce can be stored then sold on a year-round basis.

Tariffs also apply to processed fruit and vegetable products. For example, grape juice and frozen corn are subject to tariffs of 15 percent. These will all be eliminated under the Canada-U.S. Free Trade Agreement.

IV. TARIFF SNAPBACK PROPOSAL FOR FRESH FRUIT AND VEGETABLES

Article 702 of the Free Trade Agreement outlines the conditions under which Canada and the U.S. can temporarily reintroduce tariffs for fresh fruit and vegetables for a period of 20 years. (Article 702 is reproduced in full in Appendix B of this paper.)

The import price and domestic acreage conditions that have to be met for tariffs to be reintroduced are:

> " i) for each of five consecutive working days the import price of such fruit or vegetable for each such day is below 90 percent of the average monthly import price, for the month in which that day falls, over the preceding five years, excluding the years with the highest and lowest average monthly import price; and
>
> ii) the planted acreage in the importing Party for the particular fruit or vegetable is no higher than the average acreage over the preceding five years, excluding the years with the highest and lowest acreage."

It must be stressed that these special tariff snapback provisions are available to both Canada and the U.S. Furthermore, tariff snapback provisions apply to fresh fruit and vegetables destined for both the fresh and processed markets; but not to products in the processed form.

The tariff snapback provisions can be applied on a regional basis. For Canada, the regions are: 1) Thunder Bay and west thereof; 2) Quebec and Ontario east of Thunder Bay; and 3) the four Atlantic provinces. These are basically the same regions that currently apply to seasonal tariffs.

A provision is included that excludes the shift of wine grape acreage into other fruit and vegetables from the acreage calculations of these commodities. This measure will benefit growers of vegetables and fruit other than grapes.

For all goods, the tariff can only be reintroduced once per year either nationally or regionally. The maximum time a tariff can be reintroduced is 180 days. Article 702 also states that the tariff shall be removed if the import price has exceeded 90 percent of the average monthly price for five consecutive days. Before Canada or the U.S. can snapback tariffs, two workings day's notice has to be given to the other country in order to provide an opportunity for consultations. As a result, it will take at least seven days for the tariff snapback provisions to be triggered.

In a preliminary assessment of the special tariff snapback provisions, the Canadian Horticultural Council has indicated that "The measure may provide some protection during exceptional circumstances" and has responded to the Agreement in a favourable manner. The Ontario Fruit and Vegetable Growers' Association and the Ontario Tender Fruit Growers' Marketing Board remain very skeptical about the snapback provisions. They point to the failure of the present fast track surtax mechanism for certain fruit and vegetables as a safeguard against damaging imports as the reason for this skepticism.

V. ASSESSMENT

The legal text of the Agreement sets out conditions for reintroducing tariffs but to-date the Government of Canada has not provided any indication of the degree of protection provided to Canadian fresh fruit and vegetable growers by the snapback provisions. This paper sets out to make an assessment, but because of limitations associated with data and the implementation procedures, the assessment is

undertaken using acreage information for Ontario. The legal text indicated that tariffs can be snapped back on a regional basis. One region includes both Ontario and Quebec. Undertaking the assessment for this region was not possible because import price information for Quebec was not readily available. As a result, the preliminary assessment was undertaken using monthly import price and acreage information for Ontario.

The degree of protection was evaluated by determining how often the tariffs would be reintroduced for 5 fruit and 15 vegetable crops on a monthly basis during the marketing seasons in 1985, 1986 and 1987 (first 8 months only).

The analysis indicated that the depressed price and no expansion in acreage conditions for tariff snapback would have been met nine times out of a possible 288 opportunities (Table 3). Each month during the marketing season is counted as an opportunity. The crops that would have benefitted from tariff snapbacks were potatoes (August 1985, September 1985, October 1985 and November 1985); cabbage (September 1986 and February 1987); radishes (May 1985 and August 1985); and lettuce (July 1985). Only in the case of potatoes was the snapback continued for an extended period. Appendix A provides details of the depressed import price and acreage conditions that had to be met for the tariffs to be snapped back, along with the actual import price and acreage conditions.

It is possible that the five consecutive days of depressed prices would be met more frequently than in the analysis undertaken earlier, which was based on monthly price information. However, because the monthly price averages were below the trigger levels this would suggest that the duration of these tariff snapbacks would have been extremely short. It should be remembered that the tariffs are snapped off after five days of prices above the monthly import price averages. It must also be remembered that the tariff snapback provisions for each commodity can only be applied once a year. This again indicates that the tariff snapback provisions will provide very limited protection.

The analysis above is also limited by the fact that only three years were examined; however, the broad commodity coverage compensates for this deficiency to a certain

extent. The assessment suggests that the degree of protection provided by the special tariff snapback provisions is relatively small, since tariffs were snapped back only 3 percent of the time.

The value of the tariff snapback provisions may be higher under different circumstances. Tariff elimination may result in a downsizing of the fruit and vegetable industries in Ontario through lowering prices. In the situation of declining production and acreage, only the depressed import price condition would apply.

The degree of protection provided by the tariff snapback provisions is now examined under the scenario that the acreage condition no longer needs to be met. In the case where only the depressed price condition is binding, the number of times tariffs would be snapped back into place increases to 60 times, up from 9 times if both conditions had to be met (Table 3). The snapback provisions are seen to provide a much higher degree of protection if the acreage rule is not binding. The commodities where tariffs would have been reintroduced were: beans (fresh), broccoli, cabbage, carrots (fresh), cauliflower, cherries (sweet), corn (sweet), cucumbers, green onions, lettuce (fresh), onions (yellow), peaches, pears, plums, potatoes, radishes, and tomatoes. The tariff snapback provisions provide a safety net through establishing floor prices.

The snapback should be viewed as a vehicle of an adjustment policy and not as a long-term protective shield for Ontario fruit and vegetable growers. Increased competition in the domestic market and new exporting opportunities in the U.S. are the fundamental forces that will reshape Ontario's fruit and vegetable industry. In light of this, the impact of tariff elimination on prices, production and profitability of growers and processors needs to be investigated.

VI. FEDERAL IMPLEMENTATION

The legal text provides details of how the special tariff snapback will be triggered. It is possible that the seven days (five consecutive days of depressed prices and two days for consultations) required to trigger the tariff snapbacks is too long to provide an effective degree of protection for fruit and vegetables with short marketing

Table 3.--Summary of Tariff Snapback Opportunities and Occurrences for Selected Commodities, Ontario, 1985-1987

Commodity	Marketing Season	Opportunities	Tariff Snapback Triggered	
			Price & Acreage	Price Only
			- number -	
Asparagus	May, June	6	0	0
Beans, fresh	June, July, Aug., Sept.	11	0	1
Broccoli	June, July, Aug., Sept., Oct.	13	0	5
Cabbage	June, July, Aug., Sept., Oct. Nov., Dec., Jan., Feb.	20	2	5
Carrots, fresh	Sept., Oct., Nov., Dec., Jan., Feb., Mar., Apr.	20	0	6
Cauliflower	June, July, Aug., Sept., Oct. Nov.	15	0	8
Cherries, sweet	June, July, Aug.	9	0	1
Corn, sweet	July, Aug., Sept., Oct.	10	0	2
Cucumbers	Apr., May, June, July, Aug., Sept., Oct.	19	0	2
Lettuce, fresh	June, July, Aug., Sept., Oct.	13	1	2
Onions, green	June, July, Aug., Sept., Oct., Nov.	15	0	3
Onions, yellow	Aug., Sept., Oct., Nov., Dec. Jan., Feb., Mar., Apr.	23	0	9
Peas, green	June, July, Aug., Sept.,	11	0	0
Potatoes	Jan. to Dec.	32	4	4
Peaches	July, Aug., Sept.	8	0	3
Pears	Aug., Sept., Oct., Nov., Dec.	12	0	2
Plums	July, Aug., Sept.	8	0	2
Radishes	May, June, July, Aug., Sept. Oct., Nov.	18	2	4
Tomatoes	Apr., May, June, July, Aug. Sept., Oct.	19	0	2
Strawberries	June, July	6	0	0
TOTAL		288	9	61

Source: Appendix A.

seasons. For example, the marketing seasons for peaches and asparagus are only 12 weeks and eight weeks, respectively.

It should be noted that there is nothing automatic about the tariff snapback provisions. The decision to reintroduce tariffs is at the discretion of the governments of Canada and the U.S. Furthermore, there appears to be no formal process for industry groups to express their views on the merits of invoking the tariff snapback. Industry views on when tariffs are snapped back are especially important given that tariffs can only be introduced once per year for each commodity. The establishment of such a consultative body does not appear to be in conflict with the Agreement, however, the Government of Canada has not as yet indicated that such an advisory body will be established.

The import price information that will be used by the Government of Canada will also play a significant part in determining the effectiveness of tariff snapback provisions. It is important that import price information recognizes quality differences. If this is not the case, importers may manage to circumvent tariff snapback provisions. For example, when prices are low importers may choose to ship more expensive, higher quality produce to prevent the depressed price condition from being triggered.

Another concern is that Statistics Canada's information on fruit and vegetable crop acreage is not reliable. This is illustrated by the extensive revisions that follow each agricultural census occurring only once every five years. The reliability of acreage information needs to become a priority for the Government of Canada.

A major administrative problem is presented by the fact that in many cases import prices and acreage information is not broken down in terms of whether the produce grown is destined for the fresh market or processing. However, making this distinction is extremely important if the snapback mechanism is to work effectively.

The federal government will have to devote considerable resources to monitoring and analysis if this timely snapping back of tariffs is to be achieved. It is also advisable that the snapback price and acreage conditions be published prior to the start of harvesting so that growers can gauge the likelihood of any tariff snapback. Without

the full public disclosure of the information, growers may lack confidence in the procedure, which will increase producer uncertainty about markets. This may, in turn, result in decisions to reduce production, which is not the desired result of the snapback process itself.

VII. SUMMARY AND CONCLUSIONS

Fresh fruit and vegetable growers have been singled out for special treatment during the phasing-out of all tariffs under the proposed Free Trade Agreement. For a period of 20 years, both Canada and the U.S. can reintroduce tariffs on fresh fruit and vegetables provided two conditions are met. The conditions that have to be met for tariffs to be snapped back are unusually low prices of imports and no expansion in crop acreage.

The degree of protection provided by the tariff snapback provisions was examined in this paper. The approach taken was to determine how often the tariff snapback provisions would have been triggered during 1985, 1986 and the first eight months of 1987. The analysis indicated that for 20 fruit and vegetables, tariffs would only have been reintroduced nine times out of a possible 288 opportunities.

The degree of protection provided by the tariff snapback provisions was found to increase significantly under the assumption that acreage levels were declining as a result of the loss of tariff protection. Under this situation only the price condition would apply. The number of times tariff snapbacks were triggered rose to 61 from nine. The degree of protection provided to an industry in decline was higher but still fairly modest. The snapback provisions will ease adjustments, not prevent them from occurring.

The process and procedures for implementing the tariff snapback provisions are extremely important. Many fruit and vegetable growers seem to lack sufficient confidence in the federal government's capacity to successfully administer this mechanism. The failure of the fast track surtax for horticultural products is often cited as an example of this inability.

There are a number of concerns about the administration and implementation of the snapback provisions which are centred on data requirements and adequate staff resources being devoted to the task. Of particular concern is the need for import prices to take account of changes in quality as this could be used by importers to circumvent the snapback provisions. Another key concern centres on the timeliness of the implementation. The marketing season for some fruit and vegetables only lasts for two months. One week during the height of harvest is a very critical period. The legal text of the Agreement indicates the triggering process will take at least seven days. This may be too long for a number of commodities.

The problems associated with implementing the tariff snapback provisions suggest that extensive consultations should be undertaken with industry groups and provincial governments by the federal government. These consultations would help to build confidence in the tariff snapback process.

The analysis of the tariff snapback provisions undertaken in this paper is preliminary in nature. There are many aspects of these provisions that require further study. For example, a more comprehensive coverage of fruit and vegetables for the region of Ontario and Quebec, with greater attention paid to whether the products are destined for the fresh market or processing plants. Another issue requiring study is the impact of the tariff snapback provisions on fruit and vegetable processors. The use of a longer time period would also provide a better basis for making the assessment.

Other areas which warrant study concern the degree of protection provided to growers in other provinces and growers in the U.S. Examining how the use of the tariff snapback provisions by the U.S. would impact on Ontario's and Canada's exporters is also of great interest.

APPENDIX A

Snapback Calculations for Selected Fruit and Vegetables, Ontario, 1985-1988

Appendix Table 1.--Asparagus[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
MAY						
1985	1,656	2,680	2,025	3,808	No	No
1986	1,725	2,955	2,310	4,310	No	No
1987	1,797	3,335	2,029	4,121	No	No
1988	1,819	3,727				
JUNE						
1985	1,614	2,680	2,379	3,808	No	No
1986	1,726	2,955	2,000	4,310	No	No
1987	1,730	3,335	2,326	4,121	No	No
1988	1,855	3,727				

a The import price and acreage information is for Ontario.
b Price condition is calculated as 90 percent of five-year average of import prices with the highest and lowest years excluded.
c Acreage condition is calculated as 100 percent of five-year average of the crop acreage with the highest and lowest years excluded.
d If actual import prices and acreage levels are below the price and area conditions then the tariff snapback is triggered.
e If actual import prices are below the price conditions and assuming acreage levels have declined then the tariff snapback is triggered.

Source: Statistics Canada, with calculations by the Economics and Policy Coordination Branch, OMAF.

Appendix Table 2.--Beans, Fresh[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JUNE						
1985	799	2,149	928	2,453	No	No
1986	864	2,315	1,169	3,624	No	No
1987	901	2,414	1,533	4,025	No	No
1988	964	2,835				
JULY						
1985	649	2,149	912	2,453	No	No
1986	722	2,315	1,146	3,624	No	No
1987	864	2,414	1,314	4,025	No	No
1988	1,001	2,835				
AUGUST						
1985	560	2,149	1,088	2,453	No	No
1986	624	2,315	1,000	3,624	No	No
1987	764	2,414	1,200	4,025	No	No
1988	890	2,835				
SEPTEMBER						
1985	551	2,149	1,053	2,453	No	No
1986	551	2,315	443	3,624	No	Yes
1987	489	2,414	4,025			
1988	2,835					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 3.--Broccoli[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JUNE						
1985	511	384	551	1,757	No	No
1986	523	604	577	2,589	No	No
1987	510	1,085	516	2,641	No	No
1988	493	1,773				
JULY						
1985	491	384	446	1,757	No	Yes
1986	491	604	541	2,589	No	No
1987	477	1,085	529	2,641	No	No
1988	483	1,773				
AUGUST						
1985	510	384	457	1,757	No	Yes
1986	490	604	490	2,589	No	Yes
1987	446	1,085	571	2,641	No	No
1988	446	1,773				
SEPTEMBER						
1985	483	384	547	1,757	No	No
1986	492	604	449	2,589	No	Yes
1987	481	1,085	2,641			
1988	1,773					
OCTOBER						
1985	535	384	500	1,757	No	Yes
1986	535	604	554	2,589	No	No
1987	511	1,085	2,641			
1988	1,773					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 4.--Cabbage[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JUNE						
1985	263	4,102	318	4,626	No	No
1986	261	4,347	293	3,678	No	No
1987	272	4,347	384	3,540	No	No
1988	272	4,199				
JULY						
1985	276	4,102	269	4,626	No	Yes
1986	247	4,347	286	3,678	No	No
1987	257	4,347	384	3,540	No	No
1988	257	4,199				
AUGUST						
1985	413	4,102	n/a	4,626	n/a	n/a
1986	n/a	4,347	317	3,678	n/a	n/a
1987	n/a	4,347	429	3,540	n/a	n/a
1988	n/a	4,199				
SEPTEMBER						
1985	430	4,102	368	4,626	No	Yes
1986	374	4,347	370	3,678	Yes	Yes
1987	356	4,347	3,540			
1988	4,199					
OCTOBER						
1985	310	4,102	286	4,626	No	Yes
1986	276	4,347	500	3,678	No	No
1987	310	4,347	3,540			
1988	4,199					
NOVEMBER						
1985	308	4,102	388	4,626	No	No
1986	292	4,347	441	3,678	No	No
1987	351	4,347	3,540			
1988	4,199					
DECEMBER						
1985	299	4,102	547	4,626	No	No
1986	310	4,347	366	3,678	No	No
1987	326	4,347	3,540			
1988	4,199					
JANUARY						
1985	270	4,102	413	4,626	No	No
1986	298	4,347	540	3,678	No	No
1987	334	4,347	336	3,540	No	No
1988	334	4,199				
FEBRUARY						
1985	232	4,102	460	4,626	No	No
1986	313	4,347	441	3,678	No	No
1987	387	4,347	324	3,540	Yes	Yes
1988	368	4,199				

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 5.—Carrots, Fresh[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JANUARY						
1985	399	4,767	494	5,328	No	No
1986	405	4,876	460	5,902	No	No
1987	409	5,085	483	6,070	No	No
1988	417	5,379				
FEBRUARY						
1985	395	4,767	506	5,328	No	No
1986	422	4,876	297	5,902	No	Yes
1987	422	5,085	311	6,070	No	Yes
1988	382	5,379				
MARCH						
1985	331	4,767	369	5,328	No	No
1986	337	4,876	265	5,902	No	Yes
1987	337	5,085	233	6,070	No	Yes
1988	297	5,379				
APRIL						
1985	236	4,767	209	5,328	No	Yes
1986	226	4,876	237	5,902	No	No
1987	225	5,085	207	6,070	No	Yes
1988	212	5,379				
SEPTEMBER						
1985	328	4,767	414	5,328	No	No
1986	333	4,876	411	5,902	No	No
1987	328	5,085	6,070			
1988	5,379					
OCTOBER						
1985	394	4,767	481	5,328	No	No
1986	411	4,876	424	5,902	No	No
1987	411	5,085	6,070			
1988	5,379					
NOVEMBER						
1985	401	4,767	416	5,328	No	No
1986	401	4,876	523	5,902	No	No
1987	416	5,085	6,070			
1988	5,379					
DECEMBER						
1985	422	4,767	472	5,328	No	No
1986	424	4,876	511	5,902	No	No
1987	436	5,085	6,070			
1988	5,379					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 6.--Cauliflower[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JUNE						
1985	651	3,387	630	3,733	No	Yes
1986	636	3,605	807	4,061	No	No
1987	648	3,689	637	4,145	No	Yes
1988	607	3,845				
JULY						
1985	655	3,387	591	3,733	No	Yes
1986	655	3,605	715	4,061	No	No
1987	648	3,689	568	4,145	No	Yes
1988	605	3,845				
AUGUST						
1985	620	3,387	737	3,733	No	No
1986	634	3,605	600	4,061	No	Yes
1987	566	3,689	613	4,145	No	No
1988	3,845					
SEPTEMBER						
1985	743	3,387	1,000	3,733	No	No
1986	743	3,605	682	4,061	No	Yes
1987	805	3,689	4,145			
1988	3,845					
OCTOBER						
1985	630	3,387	605	3,733	No	Yes
1986	667	3,605	1,000	4,061	No	No
1987	735	3,689	4,145			
1988	3,845					
NOVEMBER						
1985	654	3,387	687	3,733	No	No
1986	654	3,605	654	4,061	No	Yes
1987	648	3,689	4,145			
1988	3,845					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 7.--Cherries, Sweet[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JUNE						
1985	1,835	1,055	3,022	1,047	No	No
1986	2,144	1,048	3,508	1,030	No	No
1987	2,452	1,042	2,411	1,045	No	Yes
1988	2,262	1,041				
JULY						
1985	1,690	1,055	2,796	1,047	No	No
1986	1,828	1,048	2,246	1,030	No	No
1987	1,882	1,042	2,119	1,045	No	No
1988	1,919	1,041				
AUGUST						
1985	1,689	1,055	2,394	1,047	No	No
1986	1,716	1,048	2,875	1,030	No	No
1987	1,850	1,042	2,098	1,045	No	No
1988	1,915	1,041				

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 8.--Corn, Sweet[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JULY						
1985	531	6,542	875	11,487	No	No
1986	601	7,262	657	16,168	No	No
1987	608	8,950	594	17,014	No	Yes
1988	608	11,932				
AUGUST						
1985	536	6,542	759	11,487	No	No
1986	536	7,262	913	16,168	No	No
1987	572	8,950	689	17,014	No	No
1988	11,932					
SEPTEMBER						
1985	661	6,542	875	11,487	No	No
1986	751	7,262	547	16,168	No	Yes
1987	676	8,950	17,014			
1988	11,932					
OCTOBER						
1985	631	6,542	805	11,487	No	No
1986	671	7,262	801	16,168	No	No
1987	701	8,950	17,014			
1988	11,932					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 9.--Cucumbers[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
APRIL						
1985	512	706	566	1,200	No	No
1986	510	831	564	1,310	No	No
1987	523	1,001	576	1,409	No	No
1988	526	1,157				
MAY						
1985	409	706	408	1,200	No	Yes
1986	409	831	460	1,310	No	No
1987	416	1,001	668	1,409	No	No
1988	443	1,157				
JUNE						
1985	332	706	426	1,200	No	No
1986	353	831	448	1,310	No	No
1987	375	1,001	547	1,409	No	No
1988	394	1,157				
JULY						
1985	308	706	463	1,200	No	No
1986	348	831	495	1,310	No	No
1987	378	1,001	439	1,409	No	No
1988	406	1,157				
AUGUST						
1985	316	706	454	1,200	No	No
1986	329	831	364	1,310	No	No
1987	327	1,001	439	1,409	No	No
1988	355	1,157				
SEPTEMBER						
1985	278	706	290	1,200	No	No
1986	264	831	309	1,310	No	No
1987	258	1,001	1,409			
1988	1,157					
OCTOBER						
1985	328	706	443	1,200	No	No
1986	366	831	360	1,310	No	Yes
1987	352	1,001	1,409			
1988	1,157					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 10.--Lettuce, Fresh[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JUNE						
1985	274	1,247	303	1,198	No	No
1986	280	1,227	462	1,621	No	No
1987	329	1,229	340	1,690	No	No
1988	332	1,351				
JULY						
1985	297	1,247	273	1,198	Yes	Yes
1986	297	1,227	316	1,621	No	No
1987	286	1,229	353	1,690	No	No
1988	303	1,351				
AUGUST						
1985	291	1,247	435	1,198	No	No
1986	352	1,227	333	1,621	No	Yes
1987	323	1,229	494	1,690	No	No
1988	1,351					
SEPTEMBER						
1985	333	1,247	406	1,198	No	No
1986	362	1,227	365	1,621	No	No
1987	355	1,229	1,690			
1988	1,351					
OCTOBER						
1985	352	1,247	401	1,198	No	No
1986	375	1,227	418	1,621	No	No
1987	402	1,229	1,690			
1988	1,351					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 11.--Onions, Green[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JUNE						
1985	588	349	598	396	No	No
1986	588	349	709	464	No	No
1987	588	363	578	465	No	Yes
1988	568	401				
JULY						
1985	531	349	875	396	No	No
1986	601	349	657	464	No	No
1987	608	363	594	465	No	Yes
1988	608	401				
AUGUST						
1985	536	349	759	396	No	No
1986	536	349	913	464	No	No
1987	572	363	689	465	No	No
1988	401					
SEPTEMBER						
1985	661	349	875	396	No	No
1986	751	349	547	464	No	Yes
1987	676	363	465			
1988	401					
OCTOBER						
1985	631	349	805	396	No	No
1986	671	349	801	464	No	No
1987	701	363	465			
1988	401					
NOVEMBER						
1985	709	349	768	396	No	No
1986	727	349	853	464	No	No
1987	727	363	465			
1988	401					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 12.--Onions, Yellow[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
AUGUST						
1985	316	5,497	665	5,865	No	No
1986	378	5,614	300	5,620	No	Yes
1987	318	5,634	420	5,389	No	No
1988	354	5,620				
SEPTEMBER						
1985	269	5,497	356	5,865	No	No
1986	294	5,614	296	5,620	No	No
1987	283	5,634	5,389			
1988	5,620					
OCTOBER						
1985	264	5,497	218	5,865	No	Yes
1986	246	5,614	288	5,620	No	No
1987	239	5,634	5,389			
1988	5,620					
NOVEMBER						
1985	264	5,497	171	5,865	No	Yes
1986	258	5,614	292	5,620	No	No
1987	255	5,634	5,389			
1988	5,620					
DECEMBER						
1985	339	5,497	250	5,865	No	Yes
1986	299	5,614	306	5,620	No	No
1987	276	5,634	5,389			
1988	5,620					
JANUARY						
1985	332	5,497	436	5,865	No	No
1986	401	5,614	296	5,620	No	Yes
1987	361	5,634	411	5,389	No	No
1988	343	5,620				
FEBRUARY						
1985	331	5,497	350	5,865	No	No
1986	380	5,614	266	5,620	No	Yes
1987	328	5,634	507	5,389	No	No
1988	337	5,620				
MARCH						
1985	339	5,497	355	5,865	No	No
1986	367	5,614	228	5,620	No	Yes
1987	291	5,634	510	5,389	No	No
1988	339	5,620				
APRIL						
1985	406	5,497	326	5,865	No	Yes
1986	406	5,614	294	5,620	No	Yes
1987	327	5,634	678	5,389	No	No
1988	422	5,620				

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 13.--Peaches[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JULY						
1985	617	7,166	930	7,483	No	No
1986	719	7,045	974	7,200	No	No
1987	795	6,951	792	7,250	No	Yes
1988	802	7,076				
AUGUST						
1985	613	7,166	888	7,483	No	No
1986	699	7,045	878	7,200	No	No
1987	783	6,951	718	7,250	No	Yes
1988	732	7,076				
SEPTEMBER						
1985	680	7,166	978	7,483	No	No
1986	712	7,045	604	7,200	No	Yes
1987	701	6,951	7,250			
1988	7,076					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 14.--Peas, Green[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JUNE						
1985	1,277	19,333	1,722	17,858	No	No
1986	1,470	18,619	2,309	13,693	No	No
1987	1,555	17,619	1,562	17,000	No	No
1988	1,503	16,953				
JULY						
1985	777	19,333	1,463	17,858	No	No
1986	1,013	18,619	2,211	13,693	No	No
1987	1,184	17,619	2,241	17,000	No	No
1988	1,548	16,953				
AUGUST						
1985	1,704	19,333	2,583	17,858	No	No
1986	2,059	18,619	2,146	13,693	No	No
1987	2,141	17,619	3,077	17,000	No	No
1988	16,953					
SEPTEMBER						
1985	1,761	19,333	1,982	17,858	No	No
1986	2,026	18,619	2,290	13,693	No	No
1987	2,118	17,619	17,000			
1988	16,953					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 15.--Pears[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
AUGUST						
1985	571	3,434	777	3,322	No	No
1986	600	3,373	685	3,500	No	No
1987	610	3,373	462	3,520	No	Yes
1988	599	3,379				
SEPTEMBER						
1985	503	3,434	729	3,322	No	No
1986	520	3,373	801	3,500	No	No
1987	580	3,373	3,520			
1988	3,379					
OCTOBER						
1985	500	3,434	678	3,322	No	No
1986	536	3,373	785	3,500	No	No
1987	583	3,373	3,520			
1988	3,379					
NOVEMBER						
1985	587	3,434	954	3,322	No	No
1986	649	3,373	994	3,500	No	No
1987	742	3,373	3,520			
1988	3,379					
DECEMBER						
1985	668	3,434	821	3,322	No	No
1986	702	3,373	1,068	3,500	No	No
1987	744	3,373	3,520		No	No
1988	3,379					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 16.--Plums[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JULY						
1985	903	1,440	1,241	1,824	No	No
1986	1,004	1,451	1,360	1,650	No	No
1987	1,096	1,502	704	1,750	No	Yes
1988	929	1,604				
AUGUST						
1985	676	1,440	1,034	1,824	No	No
1986	752	1,451	1,395	1,650	No	No
1987	895	1,502	573	1,750	No	Yes
1988	752	1,604				
SEPTEMBER						
1985	702	1,440	1,139	1,824	No	No
1986	794	1,451	1,618	1,650	No	No
1987	944	1,502	1,750			
1988	1,604					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 17.--Potatoes[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JANUARY						
1985	280	38,202	411	37,529	No	No
1986	319	37,889	349	32,126	No	No
1987	305	37,889	439	34,760	No	No
1988	334	36,709				
FEBRUARY						
1985	319	38,202	470	37,529	No	No
1986	371	37,889	398	32,126	No	No
1987	351	37,889	538	34,760	No	No
1988	383	36,709				
MARCH						
1985	276	38,202	471	37,529	No	No
1986	335	37,889	398	32,126	No	No
1987	359	37,889	565	34,760	No	No
1988	395	36,709				
APRIL						
1985	347	38,202	515	37,529	No	No
1986	375	37,889	489	32,126	No	No
1987	395	37,889	410	34,760	No	No
1988	400	36,709				
MAY						
1985	278	38,202	500	37,529	No	No
1986	311	37,889	367	32,126	No	No
1987	329	37,889	399	34,760	No	No
1988	353	36,709				
JUNE						
1985	231	38,202	334	37,529	No	No
1986	249	37,889	299	32,126	No	No
1987	250	37,889	393	34,760	No	No
1988	267	36,709				

Appendix Table 17.---Potatoes[a]
(cont'd)

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JULY						
1985	240	38,202	246	37,529	No	No
1986	242	37,889	275	32,126	No	No
1987	239	37,889	364	34,760	No	No
1988	253	36,709				
AUGUST						
1985	290	38,202	225	37,529	Yes	Yes
1986	274	37,889	299	32,126	No	No
1987	271	37,889	322	34,760	No	No
1988	280	36,709				
SEPTEMBER						
1985	314	38,202	186	37,529	Yes	Yes
1986	283	37,889	361	32,126	No	No
1987	287	37,889	34,760			
1988	36,709					
OCTOBER						
1985	271	38,202	210	37,529	Yes	Yes
1986	247	37,889	339	32,126	No	No
1987	251	37,889	34,760			
1988	36,709					
NOVEMBER						
1985	253	38,202	243	37,529	Yes	Yes
1986	230	37,889	355	32,126	No	No
1987	243	37,889	34,760			
1988	36,709					
DECEMBER						
1985	268	38,202	311	37,529	No	No
1986	265	37,889	439	32,126	No	No
1987	265	37,889	34,760			
1988	36,709					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 18.--Radishes[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
MAY						
1985	604	475	553	475	Yes	Yes
1986	598	451	607	553	No	No
1987	614	451	600	562	No	Yes
1988	549	486				
JUNE						
1985	531	475	614	475	No	No
1986	531	451	646	553	No	No
1987	566	451	505	562	No	Yes
1988	566	486				
JULY						
1985	500	475	577	475	No	No
1986	527	451	678	553	No	No
1987	551	451	634	562	No	No
1988	562	486				
AUGUST						
1985	546	475	506	475	Yes	Yes
1986	520	451	722	553	No	No
1987	558	451	707	562	No	No
1988	486					
SEPTEMBER						
1985	486	475	680	475	No	No
1986	531	451	935	553	No	No
1987	636	451	562			
1988	486					
OCTOBER						
1985	533	475	826	475	No	No
1986	557	451	813	553	No	No
1987	618	451	562			
1988	486					
NOVEMBER						
1985	540	475	671	475	No	No
1986	565	451	834	553	No	No
1987	606	451	562			
1988	486					

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 19.--Strawberries[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
JUNE						
1985	1,068	3,215	1,157	4,115	No	No
1986	1,074	3,316	1,356	4,378	No	No
1987	1,116	3,610	1,464	4,658	No	No
1988	1,133	3,975				
JULY						
1985	1,140	3,215	1,359	4,115	No	No
1986	1,180	3,316	1,465	4,378	No	No
1987	1,190	3,610	1,669	4,658	No	No
1988	1,251	3,975				

Note: Refer to Appendix Table 1 for footnotes.

Appendix Table 20.--Tomatoes[a]

	Tariff Snapback		Actual Conditions		Snapback Triggered	
	Price[b]	Area[c]	Price	Area	Price & Area[d]	Price[e]
	$/tonne	acres	$/tonne	acres		
APRIL						
1985	668	3,476	1,243	4,805	No	No
1986	800	4,051	805	4,972	No	No
1987	759	4,586	779	5,310	No	No
1988	771	4,801				
MAY						
1985	595	3,476	628	4,805	No	No
1986	583	4,051	859	4,972	No	No
1987	654	4,586	749	5,310	No	No
1988	690	4,801				
JUNE						
1985	594	3,476	544	4,805	No	Yes
1986	592	4,051	694	4,972	No	No
1987	637	4,586	825	5,310	No	No
1988	637	4,801				
JULY						
1985	571	3,476	698	4,805	No	No
1986	617	4,051	702	4,972	No	No
1987	632	4,586	771	5,310	No	No
1988	632	4,801				
AUGUST						
1985	497	3,476	602	4,805	No	No
1986	531	4,051	623	4,972	No	No
1987	523	4,586	517	5,310	No	Yes
1988	4,801					
SEPTEMBER						
1985	452	3,476	579	4,805	No	No
1986	459	4,051	567	4,972	No	No
1987	472	4,586	5,310			
1988	4,801					
OCTOBER						
1985	522	3,476	563	4,805	No	No
1986	503	4,051	659	4,972	No	No
1987	536	4,586	5,310			
1988	4,801					

Note: Refer to Appendix Table 1 for footnotes.

APPENDIX B

Article 702 of the Canada-U.S. Free Trade Agreement

Article 702: Special Provisions for Fresh Fruits and Vegetables

1. a) Notwithstanding Article 401, for a period of 20 years from the entry into force of this Agreement, each Party reserves the right to apply a temporary duty on fresh fruits or vegetables originating in the territory of the other Party and imported into its territory, when

   i) for each of five consecutive working days the import price of such fruit or vegetable for each such day is below 90 percent of the average monthly import price, for the month in which that day falls, over the preceding five years, excluding the years with the highest and lowest average monthly import price; and

   ii) the planted acreage in the importing Party for the particular fruit or vegetable is no higher than the average acreage over the preceding five years, excluding the years with the highest and lowest acreage.

   b) The temporary duty referred to in subparagraph (a) may be applied on a regional or national basis, and the import prices and planted acreage will then be determined on a regional or national basis, as appropriate.

   c) For purposes of calculating the planted acreage referred to in subparagraph (a)(ii), any acreage increase attributed directly to a reduction in wine grape planted acreage existing on October 4, 1987 shall be excluded.

2. Any temporary duty applied under this Article together with any other duty in effect for the particular fresh fruit or vegetable shall not exceed the lesser of:

   a) the applicable most-favoured-nation (MFN) rate of duty that was in effect for the particular fresh fruit or vegetable prior to the date of entry into force of this Agreement determined with reference to the same season in which the temporary duty is applied; or

   b) the MFN rate of duty in effect for imports of that particular fresh fruit or vegetable at the time the temporary duty is applied.

3. Any temporary duty shall only be applied either once per twelve-month period per good nationally or once per twelve-month period per good in each region. If a temporary duty is initially applied in one or more regions, any later application in a different region during that twelve-month period shall be based on a later five consecutive working day period under subparagraph 1(a)(i). No temporary duty shall apply to goods in transit at the time the duty is applied.

4. Such a temporary duty shall be removed when, for a period of five consecutive working days, the representative F.O.B. point of shipment price in the exporting Party exceeds 90 percent of the average monthly import price referred to in subparagraph 1(a)(i), adjusted to an F.O.B. point of shipment price, if necessary, and in any event shall be removed after 180 days.

5. Prior to the application of the temporary duty, the importing Party shall provide to the exporting Party two working days notice and an opportunity to consult during those two working days.

6. No Party may introduce or maintain any action under this Article on a particular good during such time as an action is maintained under Chapter Eleven (Emergency Action) on the same good.

7. For purposes of this Article, fresh fruit or vegetable shall mean any good classified within the following tariff headings of the Harmonized System (HS):

HS Tariff Heading	Description
07.01	potatoes, fresh or chilled
07.02	tomatoes, fresh or chilled
07.03	onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled
07.04	cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled
07.05	lettuce (lactuca sativa) and chicory (cichorium spp.), fresh or chilled
07.06	carrots, salad beets or beetroot, salsify, celeriac, radishes and similar edible roots (excluding turnips), fresh or chilled
07.07	cucumbers and gherkins, fresh or chilled
07.08	leguminous vegetables, shelled or unshelled, fresh or chilled
07.09	other vegetables (excluding truffles), fresh or chilled
08.06.10	grapes, fresh
08.08.20	pears and quinces, fresh
08.09	apricots, cherries, peaches (including nectarines), plums and sloes, fresh
08.10	other fruit (excluding cranberries and blueberries), fresh.

8. The Parties shall, upon the request of either Party, consult concerning removal of any temporary duty applied under paragraph 1.

9. For purposes of this Article, a region in Canada means:

   a) British Columbia, Alberta, Saskatchewan, Manitoba, and that part of Ontario west of 89° 19' longtitude (Thunder Bay);

   b) Quebec and that part of Ontario east of 89° 19' longtitude (Thunder Bay); or

   c) New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

Article 703: Market Access for Agriculture

In order to facilitate trade in agricultural goods, the Parties shall work together to improve access to each other's markets through the elimination or reduction of import barriers.